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Lawn & Garden Section: Pp. 23-34

Discount Store News

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 18, NO. 21 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman, Inc. | $1.75 a copy | OCTOBER 22, 1979

Latch hook sets are among the best-selling soft craft items at discount stores—an assortment of Christmas kits is endcapped at Bradlees in Stratford, Conn. (DSN photo)

Discounters Tighten Inventory In Face of Uncertain Economy

Nationwide DSN Report

Concern about an uncertain economy—reinforced by a soft second quarter at some chains—has led discounters to tighten inventory for the fourth quarter a couple of points under last year's levels.

The conservative planning could bring a problem if the quarter turns out strong. Manufacturers are themselves planning conservatively, not looking for every last sale, counting on some order cancellations and producing minimal goods. This will lead to a scramble for product if early signs point to a very strong Christmas season.

Spokesmen at Woolco, Korvettes, Zayre, Venture, Jamesway, Magic Mart and Fisher's Big Wheel said their chains were taking steps to run a leaner inventory for the second half of the year, although the range of action varies.

"I don't want to give the impression that we have made any major cuts in inventory and sales plan," said Zayre executive vp and gmm Malcolm Sherman, "because we have not. We are not planning for lesser sales results. We are accelerating stock turns slightly, however, and we have cut back slightly on high-ticket goods."

Korvettes plans to have $250 million in merchandise at retail for the fourth quarter, which is marginally up in volume but down in units from last year. Jamesway, with fall stock positions above last year's, hopes to clear out goods and be several million dollars below last year in inventory as much as 15% store-for-store by the end of December. Fisher's Big Wheel, which ordered the same percentage of goods for this fall as for last fall, also plans to tighten up inventory for the fourth quarter.

Several chains do not have large adjustments to make now because they had planned for a recession in earlier budgeting.

Woolco's position was outlined by F. W. Woolworth chairman Ed Gibbons in a talk before security analysts:

"In preparing our (U.S.) plans for the year, we budgeted a lower rate of sales growth in the second half compared to the first half, and our inventory and

(Continued on page 4)

DISC Contest Response Is Enthusiastic

NEW YORK—Discounters, proud of their community service achievements, have responded enthusiastically to the second annual competition for the *Discount Store News* DISC (Discounters In Service to the Community) awards.

Judging the entries this year will be a five-man panel composed of Stanley Berkovitz, assistant vice president of consumer affairs for Zayre; Jim Welty, vice president of operations at Fisher's Big Wheel; Lee Freedman, executive vice

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Stores Hook Onto Soft Craft Craze; Eye Enormous Profit Potential, Risks

Nationwide DSN Report

Discounters are capitalizing on the national enthusiasm for soft crafts such as latch hook, macrame and needlepoint—recognizing the enormous profit potential as well as the risk.

The soft craft kits, usually merchandised near domestics departments, appear to be experiencing more spectacular growth in discount stores than the steady models and hobby kits which are usually included in toy sections.

The craft and hobby market accounted for $2 billion in retail sales nationwide, and $1.3 billion in billings by manufacturers and importers in 1978, according to a study by the Hobby Industry of America.

Of the $1.3 billion, $437 million was in soft crafts, with needlework, macrame and yarn accounting for almost half of this business. Other major craft categories were number crafts and stencil art ($21 million) and poster art ($20 million).

Models, including plastic kits, model railroads, slot and slotless sets, remote control vehicles and dollhouses, accounted for $655 million in billings. So-called common categories such as tools, woods, paints and other supplies did $255 million.

Merchandisers say the soft crafts have had a sales spurt since August: "It's the same old

(Continued on page 4)

'79 Biz Seen Rising 20%

Jamesway to Slow to 5-6 Yearly Bows After Spree

HACKETTSTOWN, N.J.—Jamesway chairman Herbert Fisher told security analysts here the chain would slow down to five or six bows a year after opening 12 stores, including seven Westons units, this year, and three stores early next year—its biggest expansion drive.

Fisher said Jamesway should benefit from strong fourth-quarter sales from the seven Westons stores in New York and Pennsylvania which were acquired in August. Two of the seven have been converted, he said, while the remaining five kept their old logo.

"These stores don't yet have the merchandise to back up our circulars," he said. "We'll wait until the winter and then close them for remodeling."

Fisher said the new units should help boost Jamesway's 1979 volume by 20% to $245 million. The chain will be operating 60 units at the end of the year.

The Jamesway chairman said he planned to slow down to a pace of five or six openings a year after the current expansion is completed. He expects to "fill in" secondary markets in New York, New Jersey and Pennsylvania.

"A few years ago we thought we had saturated the three-state area; that's why we went to Ohio," he said. "But it took us a long time to get off the ground there. Meanwhile we discovered more locations available in our other markets." Fisher said the chain would continue to operate its three Ohio stores and single Virginia unit because they are profitable.

(Continued on page 50)

K mart Tests Adjacent Box Supermarket

TROY, Mich.—K mart will test a box supermarket next to its discount store in Pontiac, Mich. A company spokesman said the chain is leasing 10,000 sq. ft. in a closed supermarket adjacent to the discount store for the experiment.

No time limit has been set and the chain has no present plans to expand the test, the spokesman added. The store, which will open by early next month, will be limited to non-perishable goods in what has evolved to be the typical no-frills food store layout. It will include cut-carton displays and shoppers will bag their own purchases in boxes or bags which they provide themselves.

The experiment, which K mart vice chairman B. M. Fauber said the company undertook "out of curiosity," is considered to be a test of the traffic-drawing power of box stores. In years past, K mart policy had been to open discount stores adjacent to other chains' supermarkets so that each would benefit from the other's traffic. However, while the discount stores prospered, many of the supermarkets were unsuccessful. In this case, however, the food store will be operated by K mart.

In addition to the box store test, Fauber told stock analysts in Chicago, K mart is still giving a high priority to acquisitions in the "food-away-from-home" industry despite the rejection of its bid for Morrison Inc. K mart had offered $228.8 million in stock and cash to buy the cafeteria and food-service chain.

Discounting Week

GOING STRONG. Despite a softening sales pattern among other retailers, discounters again recorded strong growth in September. Wal-Mart led the way with a 36% increase over the previous September while Caldor recorded a healthy 22% boost. Dayton Hudson, to which Target is a major contributor, was up 11.8%. K mart rose 13.6% and Woolworth climbed 11.2%. Sears, Ward and Penney fared far less well for the month, with Sears up 2.4%, Penney up 2% and Ward up a miniscule 0.7%.

SUIT SETTLED. Basco and Jewelcor settled the suit that arose out of the failure of a merger agreement between the two catalogers. The settlement included Basco repaying Jewelcor $150,000 of a $500,000 loan advanced by Jewelcor, and Jewelcor retaining the 15,625 shares of Basco stock purchased for $250,000.

3D GROWTH. Completion of a 50% enlargement in size for the 3D store in Martinsville, Ind., and planned openings of units in Portland and Greenfield, Ind., for the chain have been announced by president Max Danner. The new units will bring the chain's store count to 27 units in three states.

RISING AT ROSE'S. Jim Dismore, who last year came to Rose's by way of Pamida and Wal-Mart, has been promoted from vice president for corporate development to senior vice president of merchandising and sales.

Discounters Up TV Use

Gemco and Korvettes increased TV advertising more than tenfold in key markets last year, indicative of the greater role TV is playing in discounters' planning.

TV advertising is increasing at a faster pace than ad expenditures in general, and outlays by the top 15 local TV advertisers in the discount industry were up over 60% from the previous year in their primary markets.

(The Broadcast Advertiser Reports, on which the chart in this issue is based, has changed its reporting techniques, however, and cautions that there may be resulting inaccuracies. Expenditures by Zodys, a division of Hartfield-Zodys, were actually up 10% in Los Angeles by their own figures, though BAR reports show a 7% decline.)

New York, Los Angeles and Atlanta are the biggest single markets for discounter ads, with three chains accounting for $7.5 million in TV ads in New York, three chains spending $3.1 million in Los Angeles.

The Major Factor

TV is an effective medium where sufficient store clustering and population centers fall under the media umbrella, and the increases show dramatic attempts to grab greater market share by Gemco in Los Angeles, Korvettes in Detroit and Two Guys in Philadelphia.

The national chains K mart and Woolco were not included in local BAR rankings, but both chains are able to take advantage of network advertising.

Network TV advertising reportedly increased more than

(Continued on page 5)

The Treasury, Cataloger Still Talk L.A. Deal

NEW YORK—The Treasury at presstime was continuing to negotiate with Service Merchandise about the cataloger leasing space in some of the discounter's units in California.

The negotiations are part of The Treasury's move to rent out excess footage in its 26 stores in Texas, Tennessee, Wisconsin and California in a continuing effort to become profitable.

The discounter has completed relocating its headquarters to Granada Hills, Calif., so that its executives and buyers will be right in the California market which accounts for 40% of the chain's sales.

Electronic terminals are being installed in all 34 of The Treasury units to enable merchandisers to obtain more accurate and faster sales information for spotting of trends and reordering of hot fashions. The installation should be completed early next year.

Trimming 50,000 sq. ft. to 60,000 sq. ft. from The Treasury stores—which range between 100,000 sq. ft. and 180,-

(Continued on page 51)

Open-look format of Service Merchandise, Woodbridge, N.J., allows shoppers to see through showroom to back. Left side includes jewelry and consumer electronics/photo sections. (DSN photo)

Service Merchandise, Bound for Fla., Opens Updated Open-Look Prototype

WOODBRIDGE, N.J.—Service Merchandise updated its open-look prototype as it unveiled its third unit in the Garden State here last month. The cataloger is preparing to invade Florida with four stores at presstime, using the same type of showroom setup.

The open-look profile is designed to enable customers to flow freely through the entire unit, shopping both the planogrammed self-service, mass-display areas and the traditional showroom sample departments. Most items can be payed for at the central checkouts.

The key layout features in Woodbridge include the horseshoe main aisle that gives facing to all the departments and the division of the unit into a traditional showroom area on the left and a self-service, mass-display section on the right.

The horseshoe aisle leads from the entrance on the left past the showroom section to the mass-display area on the right and through the central checkouts and pickup station before the exit.

This showroom arrangement will be used in Florida except that jewelry will be in the cen-

(Continued on page 42)

In Our Next Issue . . .

AUTO SHOW. DSN will preview the Automotive Parts and Accessory Association show in Chicago. Answers will be given to the question: How has the gas shortage affected automotive merchandising? DSN will also take an in-depth look at the automotive department of one of the leading discount store chains. Don't miss it—in our next issue.

DOMESTICS OUTLOOK. Will snug sack sales take off as the cold weather sets in? DSN looks at the novelties and the basics in a market outlook. Merchandisers discuss what's ahead for their bed and bath shops as well as what's new in curtains, drapes and other decorative items . . . as well as the latest trends in fixturing—in our next issue.

In This Issue...

GREENER GRASS. Lawn & garden buyers are looking to sell plenty of goods next season as gas prices help keep consumers at home. Bug lights hot? Lawn foods heavy? Mowers higher? Trimmer growth leveling? Grills a gas? Yes on all counts. (Pp. 23-34)

HOT OVENS. Discounters and catalog showrooms are divided over the merchandising of convection and electronic ovens. DSN's electric housewares market outlook notes that the catalogers are carrying both types while discounters are charting a conservative course in offering one or the other. (P. 17)

CO-OP LIABILITY. An appeals court has agreed with the FTC that retailers are liable for false claims made in advertising under a co-op program, even if the retailer had nothing to do with the creation of the ad. Also, K mart's ads make it the top spender among discounters, though expenses run only 2.3% of sales. (P. 37)

TIGHT SPENDING. H&BA buyers say price-conscious consumers are forcing them to promote at sharper prices more frequently. (P. 38)

WOMEN DETECTIVES. Bob Curtis notes that female detectives catch more shoplifters than their male counterparts. In his continuing series on increasing the productivity of store detectives, Curtis suggests the quality of cases reported or solved is more important than their number. (P. 40)

JEANS II. DSN's editor Stuart Horton rips Calvin Klein, Gloria Vanderbilt and Sasson for accusing Target of selling stolen jeans and sparking an F.B.I. investigation. The flap started when Target ran full-page newspaper ads in six markets advertising $35 designer originals at $19.99. Target said it bought the merchandise from a wholesaler. (P. 9)

Spotlight on: Opening Hoopla

Mannequin Has Quickie Reign At Jefferson

FORT MYERS, Fla.—This seductive mannequin lured shoppers into the loungewear section of Jefferson's new store.

"It drew people into the department," noted store operations manager Dennis Drayton. "Normally they would just walk by."

But Drayton explained that the display, which was developed at headquarters for store openings and remodels, was meant to be temporary—it stayed in place about two-and-a-half weeks.

The setting was prime real estate off the main traffic aisle near ladies' sportswear and took up valuable selling space, Drayton noted.

"I can't say whether it improved sales," he added.

The mannequin lured shoppers into the higher-ticket robes and nightgowns—other lingerie is merchandised at the tail of the section.

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DISCOUNT STORE NEWS
(USPS 123-910. 123-890. 123-870. 109-230.) is published biweekly—every other Monday, monthly in December—by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Subscription rates: *Retailers and wholesalers*—one year, $5.50; two years, $8.50; three years; $10.50. Canada: one year, $6.50; two years, $10.50; three years, $13.50. *Manufacturers, schools, libraries and all others*—one year, $7; two years, $13; three years, $18. Canada: one year, $8; two years, $15; three years, $21. *All subscribers elsewhere*, $35 a year. Single copy rate, $1.75, except annual census issue, $20.

Controlled circulation postage paid at New York, N.Y.; Boston, Mass.; Chicago, Ill., and at Los Angeles, Calif.

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Vol. 18, No. 21 Oct. 22, 1979

NMRI Compiling Security Study

NEW YORK—The National Mass Retailing Institute (NMRI) is putting together a comprehensive study of security and shrink in retailing, to be published at the end of the year.

"Individual losses are often small, detection is difficult, and legal action is time-consuming and expensive," notes NMRI president Richard Hersh. "Preventive techniques can not be universally adopted, and many times, merchants find themselves on the defensive when they attempt to strictly enforce security measures."

The study is being conducted by Arthur Young & Co., and will focus on such areas as internal theft, background checks of new employees and the paperwork burden associated with security and shrink-reduction techniques.

The objective of the project is to identify what techniques are presently being used, determine their effectiveness, and summarize the costs to the retail industry, consumers and taxpayers.

The study began in July, and a December completion is anticipated.

Bluestein Is Elevated at Sam Solomon

CHARLESTON, S.C.—Steven Bluestein has been named executive vice president and chief operating officer of Sam Solomon.

He had been executive vice president of the cataloger since 1973. As chief operating officer he will oversee the company's financial, merchandising and operations vice presidents, controller and directors of data processing, management information and corporate services.

Melvin Solomon continues as president and board chairman.

Bluestein joined the cataloger in 1970 and has served as giftware buyer, assistant merchandise manager, director of research and development and secretary-treasurer before becoming executive vice president.

Glosser

(Continued from page 3)

help assure a better price and might generate a little bit more interest in the stock."

Another analyst speculated that Glosser may have formulated the plan to shore up the price in anticipation of a new stock offering. However, Black said the company has no plans to issue new stock. Black also said that the repurchase plan was not considered a tender offer and was in no way part of a plan to "go private."

The genesis of the plan does hark back to when the company was privately owned—prior to 1971. Before offering shares to the public, Black said, when a member of the Glosser family or an heir wished to sell shares, the company would purchase them based on the proportionate share of the company's value at the time.

After going public, he added, the market price did not necessarily coincide with what company officials felt was the fair value of a stockholder's proportionate interest in the company—especially in October of last year when stock prices were severely depressed.

One important difference from the practice of the days of private ownership, Black noted, is that formerly the price—which was based on book value—that the company offered shareholders was the only offer that could be accepted. Now, shareholders have the option of selling in the open market for more, should that be at a higher price than the base at which Glosser is willing to buy back the stock.

Kopf said that while Glosser's plan may give its stock a slight competitive edge over that of other similar regional retailers, he does not anticipate it having any dramatic impact on the open market price.

"This will give an investor some protection against a silly market—he's protected against loss of capital—but the company still has a relatively low yield. It won't make it a glamour stock. Investment yields are still what will attract most stockholders."

Muscular Dystrophy Drive Scores at King's

NEWTON, Mass.—King's 190 stores all participated in fund-raising activities to combat muscular dystrophy in a drive that ended last month.

The Massachusetts-based chain, a corporate sponsor for the Jerry Lewis Telethon, raised $233,546 in the drive, an increase of 45% from the previous year. Activities ranged from concerts to car washes.

Jamesway Names Irish VP Sales

SECAUCUS, N.J.—George Irish, Jamesway's vice president of sales promotion, was elected by the chain's directors to be the new vice president of sales.

He will continue as president of the chain's subsidiary, J.M.Y. Portraits Inc., based in Charlotte, N.C.

DISPOSABLE PREDICTION #1:

Merchandisers predict disposable shavers will be the fastest growing men's grooming aid during the 1980s.*

*Source: Progressive Grocer Survey of HaBA Merchandisers and Buyers, August 1979.

SHOULDN'T YOU REPLACE THE BLADES THAT AREN'T SELLING WITH THE SHAVER THAT IS.

BIC® shaver

Discounters Boost Use of TV

(Continued from page 2)

60% at K mart last year, and this year's campaign includes advertising on National Football League games, centering on K mart's auto departments.

Even chains such as Wal-Mart, without the advantage of centralized, urban markets, are using television where feasible. In Dallas-market advertising, Wal-Mart is using a "Wal-Mart the Inflation Stopper" theme. Whereas the bulk of discounters use TV for institutional advertising, Wal-Mart is tying the inflation-stopper theme to price/item advertising, such as a Mr. Coffee coffeemaker which sold last year at $27 now offered at $19.27.

Increased TV expenditures are also evidenced this year at chains such as Howard Bros. (up 50%), Heck's (up 30%) and T.G. & Y., which established an ad budget for broadcasting this year for the first time. T.G. & Y. uses TV in 35 markets now, primarily to support print circulars. The Midwest chain is using TV more due to substantial growth in its market areas.

Local TV advertising by discount stores is growing at a rate twice that of department stores, according to figures developed by the Television Bureau of Advertising. Discounters spent $74.1 million on local TV ads in 1978, up 26% from 1977 expenditures. Department stores, which increased local TV spending only 12%, still spend twice as much as discounters on local TV.

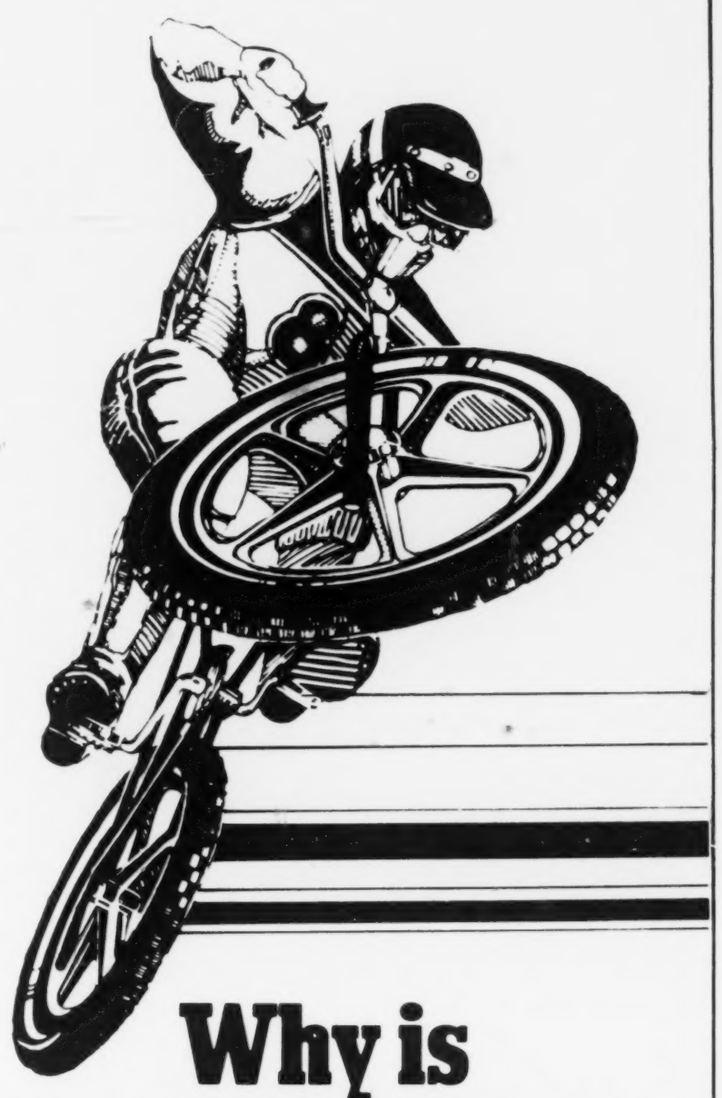
By categories of local TV advertisers, discount stores are the eighth largest category and department stores are second-largest.

In monthly breakdowns, discount stores give a slightly larger TV push in the fourth quarter than department stores do, spending 39.1% of their money then, compared to 32.1% for department stores.

Top 15 Discount Store Local TV Advertisers in a Single Market*

Chain/Market	1977	1978	% Change
1. Korvettes/New York	$2,711,600	$4,850,700	79
2. Two Guys/New York	1,960,500	1,858,400	(5)
3. Zodys/Los Angeles	1,572,700	1,460,100	(7)
4. Two Guys/Pniladelphia	646,400	1,319,000	104
5. Richway/Atlanta	1,056,300	1,214,700	15
6. Korvettes/Atlanta	NA	912,700	NA
7. Korvettes/Washington	NA	884,200	NA
8. Gemco/Los Angeles	43,200	880,400	1,938
9. Venture/Chicago	766,000	856,600	12
10. Fred Meyer/Portland, Ore.	740,800	839,100	13
11. Times Square/New York	514,400	773,500	50
12. FedMart/Los Angeles	NA	769,900	NA
13. Jefferson/Miami	665,900	753,600	13
14. Korvettes/Detroit	23,700	716,300	2,922
15. FedMart/San Diego	577,300	708,000	23

* National chains K mart and Woolco not included.
( ) Denotes decrease. NA—Not available.
Source: Television Bureau of Advertising, based on Broadcast Advertisers Reports (BAR).



Why is Cycle Products the Big Wheel in Bicycle Accessories?

We're not just spinning our wheels when we say Cycle Products' BMX accessory line is the most exciting in the industry. Take our new DuPont Zytel® Nylon mag wheels.

Specially designed for high performance and toughness, these new mag wheels will add color and excitement to every BMX bicycle. Available in the latest and flashiest colors. Cycle Products' nylon mag wheels are sure to have your customers rolling into your store.

Trail Blazer is Cycle Products' line of BMX accessories. Watch for the bulls-eye Trail Blazer packages. they're the high volume accessories that are the fastest selling and hottest items on your shelves. They are all designed to make you the big wheel in bicycle accessories.

So don't spin your wheels! Write or call Cycle Products for more information on the exciting Trail Blazer line of BMX accessories, as well as, the most complete line of bike accessories in the industry.

Cycle Products Company
Dept. T 77 Modular Avenue
Commack, NY 11725
Phone: (516) 864-2555

bike extras

APAA Show Section: Pp. 13-32

Discount Store News

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 18, NO. 22 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | $1.75 a copy | NOVEMBER 5, 1979

Small-Chain Biz Slice Dips in Cost Crunch

Nationwide DSN Report

Small discount department store chains have been raising gross margins to offset rising expenses, and as a result are losing ground in the battle for market share.

According to the 1979-80 National Mass Retailing Institute/ Cornell University study, "Operating Results of Self-service Discount Department Stores," small chains (defined as those with annual sales under $100 million) increased their gross margins by 2.34 percentage points (to an average of 29.6% of sales), while total expenses rose 2.48 points (9.3%), to 26.68% of sales. At the same time, the average number of transactions rose only 7.3%, to 2,820,172 a year.

The gross margin and expense increases were the highest reported by any group in the study, and the increase in the number of transactions was the lowest.

While the average dollar value of each transaction for the small chains showed the greatest increase (14%) and the highest total ($11), the small chains are lagging behind larger chains, where substantial gains in customer counts *and* transaction values were recorded.

Total expenses for all chains responding to the study rose 0.60 percentage points (2.4%), from 24.21% of sales to 24.81% of sales.

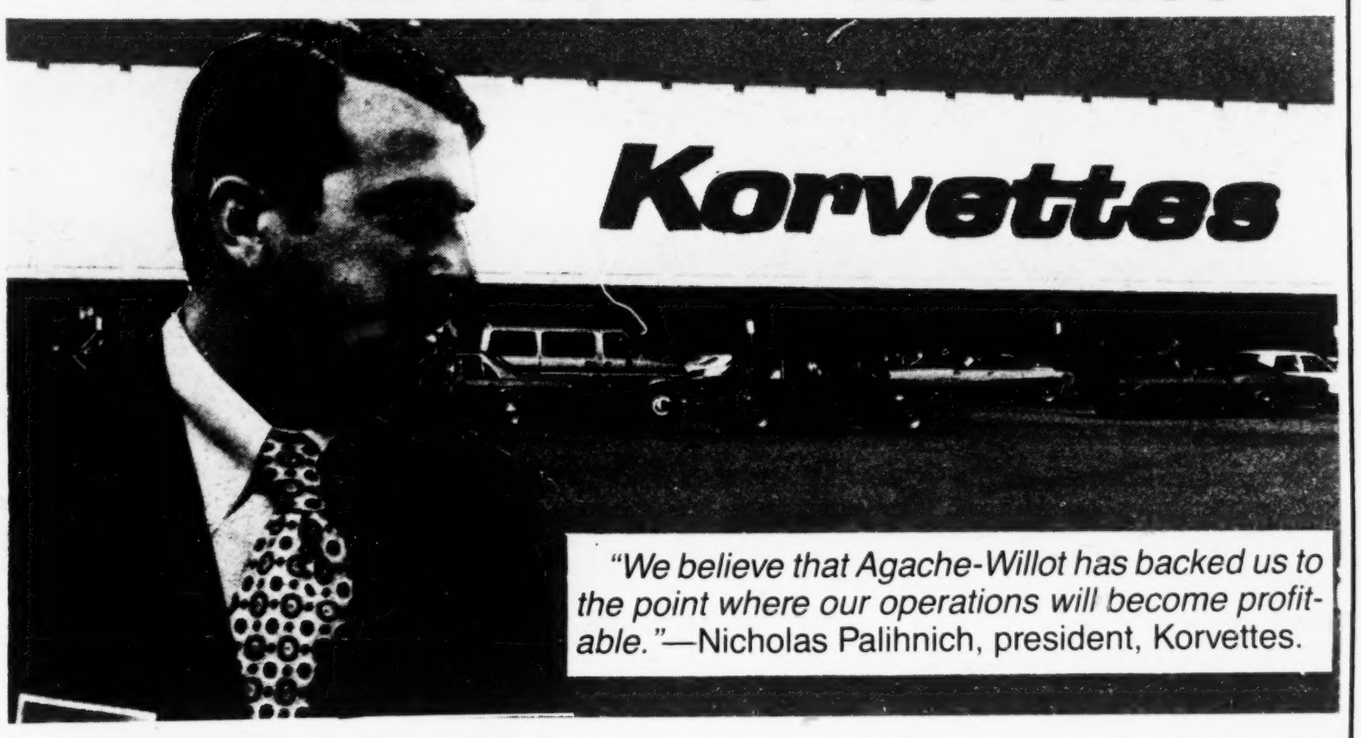
Larger chains did the best job of expense control. Chains with sales over $260 million reported total expenses rising 0.60 percentage points, from 24.41% to 25.01% of sales, and chains with annual sales between $100 million and $260 million had an increase of 0.33 percentage points, from 23.86% to 24.19% of sales.

Of 31 firms which participated in both the 1978 and 1979 studies, total expenses rose 0.20 percentage points (less than 1%) from 24.58% to 24.78% of sales.

Of the identical firms report-

(Continued on page 6)

It's 11th Hour For Korvettes



"We believe that Agache-Willot has backed us to the point where our operations will become profitable."—Nicholas Palihnich, president, Korvettes.

NEW YORK—Time is running out for Korvettes.

As the troubled chain enters the crucial holiday sales period, industry observers are wondering why the new French management does not make its move.

Extensive cost-cutting measures and strict controls have been put in place by chairman Alain Mathieu, but few merchandising or marketing changes have been seen.

Korvettes' lack of clear positioning in its markets, the poor in-stock condition in hard lines, and the lack of specific merchandising or marketing steps to effect the turnaround have many retailers wondering about the effectiveness of the new management's policies.

President Nicholas Palihnich insists that the $19 million in cost cuts, financial support from parent Agache-Willot and slight merchandising efforts will make the chain profitable next year.

The merchandising effort focuses on positioning Korvettes between a discounter and a conventional department store. "We're a fashion store, not a discounter," one source said, "and the idea is to keep to the middle position under a Sears or Penney but over a K mart."

Fashion, albeit without an extensive array of name brands, will remain the hallmark of apparel. Markups will be reduced, however, and lower price points will be featured to attract a broader base of customers.

Hard lines, once Korvettes' strength, will be relied on only for traffic, with sharper prices hit in promotions to draw shoppers.

Another source summed it up by saying: "Apparel margins will move down to 45%-46%

(Continued on page 54)

What's Behind K mart's Test Of U-Pak Box Food Store?

PONTIAC, Mich.—K mart's new U-Pak box store here may be the harbinger of a major new retailing effort by the nation's second largest merchant, and the key to maintaining K mart's high growth rate.

The single-store food test is a low-risk experiment in external growth which may produce multiple benefits for K mart. Should the U-Pak venture succeed, it would draw additional traffic to the chain's discount stores, and could evolve into a self-sufficient profit center.

This view was shared by security analysts who also noted that should the experiment fail, K mart will have lost little. (The discount giant remained mum on the subject.)

"Look " said one, "they had a food store available so they're giving it a shot. It's an experiment with a new concept and I don't think they know what to expect from it."

Fred Kopf of Dean Witter Reynolds said that the chain has many sites available that had been leased to supermarket operators, such as the 10,000-sq.-ft. U-Pak here. K mart's actual out-of-pocket investment in the limited-assortment box store will be very little, he said.

K mart has also said the U-Pak store is a test, but would not disclose the duration. The company added that the Pontiac unit will be the only one opened until the results are evaluated.

"I expect them to take their time with this," Kopf said. "Potentially, this is a pretty big deal. They haven't got the ex-

(Continued on page 4)

Discounting Week

NEW BIG K EXECS. John Watkins, senior vp of Gold Circle, has joined Kuhn's Big K as vp and general merchandise manager, a new post. Big K has also named Glynn Coryell as vp and chief financial officer.

REVERSAL. The Loews Corp., in an apparent change of heart, is reported to have sold much of its holdings in Woolworth in a profit-taking move. Loews said last June that it intended raising its holdings from 2% to 15% of Woolworth's common stock, which many analysts thought was the preliminary to a takeover attempt.

LANECO AGREEMENT. Oppenheimer & Co., a New York investment firm, and several individuals will acquire Laneco for $13 a share. An Oppenheimer offer of $10 a share was rejected earlier this year.

LURIA OPENINGS. L. Luria & Son jumped out of its home Miami market at presstime by opening three 54,000-sq.-ft. showrooms in central Florida in the Orlando suburbs of Casselberry, Altamonte Springs and Silver Pines.

THE SHOE FITS. K mart will take over from SCOA the operation of all shoe departments in the discounter's Canadian subsidiary if an agreement in principle is ratified. The proposal between the two companies calls for K mart to pay an undisclosed sum to acquire 187 Canadian retail shoe outlets, including 109 in K mart stores as well as leased departments in department stores and freestanding units.

Future Up in Air as Prices Soar

Jewelry Sales Glitter in '79 Gold Rush

Nationwide DSN Report

Discounters and catalogers are wary of the gold rush of '79—enjoying the strong demand for fine jewelry but wondering if consumers will be turned off by rocketing prices.

Some discounters have raised prices on heavier gold pieces by as much as 30% since the commodity soared to $400 per ounce. The rising prices put pressure on catalog showrooms that published their annual books just before the gold market took off.

"We'll try to maintain our catalog prices until Nov. 1," said Steve Bluestein, exec vp and coo of Sam Solomon, at presstime. "We're in good shape because we bought our current stock in April and May at $240 per ounce. But what we sell we have to replace at a much higher price—so we'll be averaging out."

W. Bell at presstime raised its catalog prices: "We were trying to hold the line in order to get the credibility of the catalog established," a buyer said. "No one will be able to hold their prices through Christmas—it's

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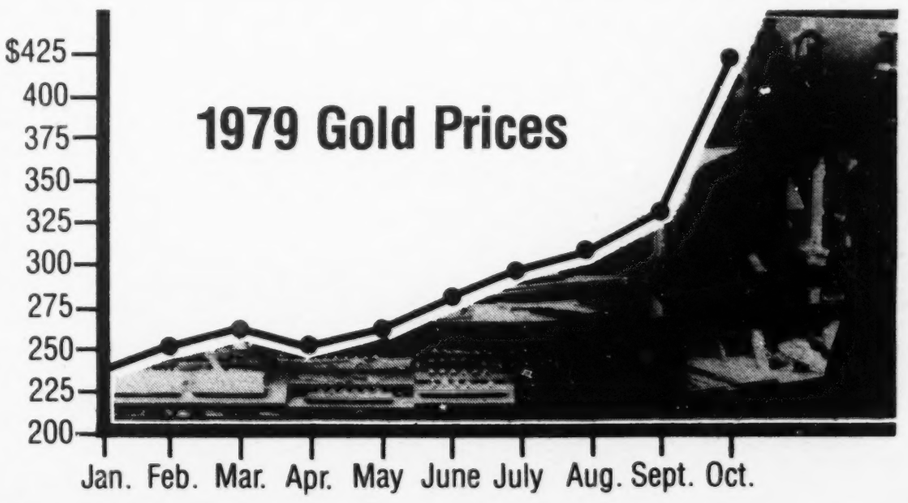

Some discounters have raised prices on heavy gold jewelry—less labor-intensive than lightweight items—as much as 30% since the world gold price started to soar. (DSN photo)